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USDOC FOR 532/OEA/MHAMES/LRITTER
USDOC FOR 3150/USFCS/OIO/CEENIS/MCOSTA

E.O. 12958: N/A

TAGS: BEXP ETRD ETTC RS

SUBJECT: EXTRACHECK: PRE-LICENSE CHECK:
KAVKAZTRANSGAZ, STAVROPOL, RUSSIA, LICENSE NO. D384246

REFTEL: USDOC 09022

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. Reftel requested a Pre-license check to determine the legitimacy and reliability of the end-user, Kavkaztransgaz, Stavropol, Russia. The company is listed on BIS license application D384246 as the ultimate consignee of a Flir Systems Inc. model thermacam gasfinder thermal imaging system. These items are controlled for national security and nuclear non-proliferation reasons under ECCN 6A003. The licensee is Flir Systems, Inc., 27700 SW parkway Avenue, Wilsonville, OR 97070.

¶3. On November 20, 2007, Export Control Attaché Peter Liston and FSN Natalya Shipitsina conducted the requested pre-license check at the offices of Kavkaztransgaz, 6, Pr. Oktyabrskoy Revolutsii, Stavropol, Russia. The export control team met with Aleksey Yachinsky, Chief Engineer.

¶4. Aleksey Yachinsky, Chief Engineer at Kavkaztransgas LTD, Stavropol, Russia was interviewed by ECO Liston about Kavkaztransgas' pending license request to purchase the Flir Systems Inc. model thermacam gasfinder thermal imaging system. Yachinsky stated that he has been with Kavkaztransgas more than 10 years, and holds a Doctorate in Technical Science. He stated that Kavkaztransgas cerebrated it's 50 anniversary in 2006. Yachinsky further stated that Kavkaztransgas is a subsidiary of Russian energy giant Gazprom and has 8000 employees throughout Southern Russia.

¶5. Aleksey Yachinsky indicted that the Flir Systems Inc. model thermacam gasfinder thermal imaging system will be used at Kavkaztransgas compressor stations to detect gas leakage in their pipeline-to-pipeline system. Yachinsky indicted that the thermal imaging system is not a significant purchase, however, it will be financed through GazpromBank. Yachinsky indicated that the Flir Systems Inc. model thermacam gasfinder thermal imaging system will be secured at all times when not in use. He further stated that there would be two specialists trained in Moscow on the use of the system prior to its usage and that it will not be taken outside of Russia. Yachinsky also stated that he and the company are familiar with the restrictions on the use and disposal of the system under the

license from the Department of Commerce and have purchased licensable equipment from the United States in the past.

¶6. Recommendations: Post recommends Kavkaztransgas, Stavropol, Russia, as reliable recipients of sensitive U.S. origin commodities. It is requested that post be notified of final disposition of the application, and of any shipments for this organization in order to conduct appropriate FCS follow-up and statistical reporting.

(FCS MOSCOW/SBOZEK/PLISTON)
BURNS